

A CODE OF CONDUCT FOR BANK OFFICERS AND EMPLOYEES

Since banking entails the safekeeping of customer's money, there is no profession where honesty, integrity, and high standards of conduct are more important. Bankers have traditionally recognized that their first duty is to conduct themselves in a manner deserving of public trust and confidence. By and large we can be proud of the record of conduct passed on by previous generations of bankers, and we should each take a personal vow to conduct our activities so that we do not betray this trust.

By Grand River Bank ("the Bank") policy it is forbidden for any employee, officer, director, agent, or attorney of this Bank to solicit for themselves or a third party anything of value from anyone in return for any business, service, or confidential information of the Bank. Similarly, it is forbidden for a person associated with the Bank to accept anything of value from anyone in connection with the business of the Bank, either before or after a transaction is discussed or consummated. Furthermore, if any individual is offered something of value from a customer beyond what is expressly authorized in this policy statement, that individual must disclose the facts of the offer to the president of the Bank immediately.

If anything prescribed herein will cause you difficulty, you should discuss the problem with the chairman and/or president. Until a written waiver has been granted by the chairman and/or president, we expect each of our directors, officers and employees to comply with this statement of Bank policy.

Confidential Information

In the course of performing Bank duties, Bank employees acquire confidential information considered to be extremely sensitive by customers. This information must not be revealed to unauthorized persons, nor should customers' finances be discussed with others within the Bank unless their duties require the information. Information about customers can be released only when authorized by the customer or subpoenaed by a court or the Internal Revenue Service (IRS), and then the information released must be accurate and within the confines of the authorizing document.

When customers use the Bank as a credit reference, they are giving the Bank the authority to release credit information. Banks also share credit information with each other. This sharing is done only to support credit decisions and the sharing is based on assurances that source confidentiality will be protected and that the information is accurate and not misleading. The inherent conflict between the customer's right to confidence and privacy and the need for creditors to share credit experience should be recognized. This conflict cannot be entirely resolved, but its consequences can be mitigated by exercising extreme care when exchanging credit information.

Personal Finance

All personal finances should be managed in a manner consistent with employment in a fiduciary institution. This obligation requires the exercise of prudence in the making of personal investments and the avoidance of clearly speculative transactions as well as specific situations which might influence judgments made or advice given on behalf of the Bank in the course of business. Staff members and their immediate families should borrow only from reputable organizations, which regularly lend money, and such borrowings must carry the prevailing rate of interest and not involve favored treatment of any kind. The use of any bank credit cards, expense account reimbursements, equipment, and supplies are only for official bank use.

Conflicts of Interest

Confidential information about Bank customers that reflects favorably or adversely on the investment value of any business enterprise is "insider" information. Insider information should not be used for personal investment advantage or provided to others for their investment advantage.

Bank officers will fully divulge to the Grand River Bank Board of Directors their involvement, directly or indirectly, with any loans made by the Bank (Regulation O). This specifically includes, but is not limited to, loans made to business trusts, business associates, or insiders of other banks with whom the officer has any form of business arrangement. If the officer will directly or indirectly benefit from the loan, the specifics of his or her involvement in the loan must be submitted in writing to the Board.

A bank employee should not represent the Bank in any transaction where he or she has a material connection or a financial interest. (Examples of material connections include relatives or close personal friends — whether the transaction involves them as individuals or as principals in a firm doing business with the Bank. An example of a financial interest is an officer's involvement as a proprietor, partner, or joint venture in a firm doing business with the Bank.)

Bank employees should avoid taking part in transactions involving any of the above circumstances. By "transactions," we mean not only making loans, but also approving overdrafts, accepting checks on uncollected funds, waiving non-sufficient funds (NSF), overdraft, or late charges, and waiving the requirement for financial statements or collateral documents. When there is a potential conflict of interest, ask someone else in the Bank to handle the transaction.

A Bank employee should not accept a directorship of another corporation without the approval of Bank Management. Charitable and nonprofit organizations are exceptions to this general requirement.

Officers, employees, and Directors of the Bank are not to recommend attorneys, accountants, insurance agents, stock brokers, real estate agents, or other similar individuals or companies to customers or others asking the Bank's input unless several names are provided without indication of favoritism.

Rules on Gifts, Fees, Legacies, Loans, and Investments

The following guidelines apply to the receipt of gifts and other items of material value:

- An employee should not accept a loan from a Bank customer or supplier. This prohibition does not apply to loans from banks or other financial institutions on customary terms to finance proper credit needs. Senior officers are required to report loans outstanding with any of the correspondent banks that Grand River Bank works with.
- An employee should not receive anything of value for making a loan.
- An employee should not accept a fee for performing any act that the Bank could have performed.
- It is improper for an employee to accept a gift from a customer or from any other person seeking a relationship with the Bank. This rule does not apply to (a) food, refreshments, or entertainment at luncheon or business meetings, (b) advertising or promotional material of nominal value, (c) awards from charitable organizations, or (d) gifts of nominal value given on special occasions such as Christmas. ("Nominal value" means less than \$100 in value).
- An employee should not sell anything to a customer at a value in excess of its worth, nor should he or she purchase anything from a customer at a price below its worth. (Acceptance of discounts or rebates on merchandise is permitted if they are also available to other routine customers of the firm.)
- An employee should refuse any legacy or bequest. He or she should also refuse to serve personally as executor, trustee, or guardian of a Bank customer's estate or trust unless the customer is a close relative.
- An employee should not indirectly perform any act that these rules prohibit directly. For example, it is just as wrong to arrange for a member of the family to receive a gift as it is for the employee to accept the gift directly.
- It is prudent to refrain from investing in a customer's business, and it is improper for an employee to subscribe to new issues of stock in a customer's business.

Outside Activities

All outside employment or participation in the affairs of an outside organization must be approved by Bank Management. For non-officers, approval must be by an officer in the employee's chain of command. For officers, approval must come from the president. The Bank will be liberal in granting approvals unless there is a potential appearance of a conflict of interest. Specific types of outside activities that raise conflict of interest questions include:

- Employment by a firm that competes with the Bank

- Preparation of any material that will be presented to the Bank by an entity seeking a loan
- Rendering of investment counsel
- Rendering of accounting services
- Drafting of wills or practicing law
- Use of bank equipment, supplies, or facilities

Recordkeeping

All attempted bribes will be reported to the chairman and/or president immediately. The appropriate action will be taken and contemporaneous written records of each case will be noted. Written records of all waivers granted to this policy statement will be also kept in the president's office, and the president's office will keep all compliance certificates on file for three years.

Compliance Certification

It is realized and recognized that this statement of business ethics and conflict of interest cannot be all-inclusive and cannot cover all situations which might appear from time to time. However, it is expected that any Bank employee, recognizing any problem that is mentioned therein or any problem that may exist which is not mentioned, will consult with his/her supervisor and that the supervisor, in turn, in the event of any reasonable questions, will consult with the president or a member of Senior Management.

A copy of this policy and a statement of policy adherence will be sent at least annually to each employee with the request that they sign and return the statement to the president. In the event the employee's situation should change materially during the period of the year, the employee should advise the president of these changes.

A copy of the Conflict of Interest Report of each bank officer and employee of the Bank should be sent to the president of the Bank each year.

Grand River Bank

Conflict of Interest Certificate

I have received a copy of the Bank's policy statement on conflicts of interest and employee conduct. After having read the statement, I certify that:

1. I have not directly, or indirectly through my family, (a) made any personal investment based on insider information, (b) otherwise acted on insider information contrary to the Bank's policy statement, (c) accepted any gifts or entertainment, (d) accepted any fees or other remuneration, (e) borrowed from a Bank customer or supplier, (f) sold assets to or purchased assets from a Bank customer under other than an arm's-length transaction, or (g) accepted any bequest, legacy, or fiduciary appointment except as follows:

2. I do not hold a position as director, officer, partner, or any other official position in any business or professional enterprise except as follows:

3. I am not engaged in any outside employment except as follows:

4. Neither I nor any member of my immediate family is engaged in any activity which may reasonably be deemed to be a conflict of interest as defined in the Bank's policy statement except as follows:

Signature: _____

Printed Name: _____

Date: _____